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Briefly Speaking

B. Sp. No. 11 November 20, 1939

American Agriculture—1914 and 1939

The Program

A. A. A.'s Responsibility

The Agricultural Adjustment Administration shares with other agencies of the Department of Agriculture a great responsibility. It is our part to help cushion any shocks to our farm economic system which may be brought on by European affairs.

We are still struggling with the effects of the last war. That war and its aftermath, which is still with us, is the great epoch-making event of modern agriculture. It loosened forces which made the good old days in farming just a memory.

We have something this time that we didn't have before, and that is the AAA Farm Program which has given to farmers the power to adjust their production up or down to needs. A better wartime measure for a neutral nation was never invented.

My advice to farmers is to hold the line on the ever-normal granary, adjustment, and conservation programs.—*R. M. Evans, Administrator, A. A. A., in Farm and Home Hour Broadcast. Sept. 5, 1939.*

Advisory Council

The Department of Agriculture, with the full cooperation of the groups represented by this Council, is the medium through which the efforts of the agencies represented here can be most effective.

Whatever is done, must be done through voluntary means without regimentation. Action should be directed toward securing and maintaining proper balance by means of fair prices for farm products, fair wages for labor, and fair profits for business.

It should be emphasized that the prices of most farm products are still low despite some recent increases, and that the general welfare demands that the prices of farm products rise to the proper relationship with other prices and wages.—*Report of the Agricultural Advisory Council, Press Release, Sept. 20, 1939.*

Report From England

"American farmers should not anticipated any large increase in the demand for farm products in the immediate future and should not largely increase their plantings because of conditions in Europe" is the opinion expressed by Dr. T. B. Symons, dean of the College of Agriculture and director of the University of Maryland Extension Service, who has just returned from England.

Plans were underway in England, Dr. Symons states, to increase the acreage of plowed ground by some 250,000 acres. An organization was being perfected throughout the country for production of vegetables and fruits. Many said that their front lawns would go into gardens next year. On the basis of the efforts that are being made to increase production and limit consumption, he believes it is wise for American farmers to continue their farm program.—*Press Release, University of Maryland Extension News Service.*

Commodities

Supplies and Demand

Uncertainty. For 20 years European nations have been preparing for this situation. Fear has led them to become as self-sufficient as they possibly could * * * The tariffs, quotas, embargoes, barter arrangements, and currency manipulations of the last 15 years constituted a form of warfare. It was the economic warfare which was the prelude to military war. Because of the increase in foodstuffs produced by European nations at home, we do not know to what extent the European demands for food and fiber in the last war may be repeated this time.—*Secretary Wallace, in address at Kinston, N. C., Oct. 4, 1939.*

Wheat. Wheat supplies in the United States at 990 million bushels are about the same as in 1914. World wheat supplies of 5.5 billion bushels are larger than in 1914 when they totaled 3.5 billion bushels. Compared with world shipments of about 600 million bushels in 1938-39, world shipments in 1914-15 were 556 million bushels. Stocks in importing countries are very large at present while in 1914 they were only average.—*The Wheat Situation, Sept. 25, 1939.*

Corn. The present conflict in Europe may not have a material effect on the exports of corn as grain * * * During the World War the annual exports of corn amounted to less than 2 percent of the total supply.—*The Demand and Price Situation, Sept. 15, 1939.*

Cotton. Just before the opening of hostilities in 1914, cotton prices were

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about 12.5 cents a pound. When the exchanges were closed (August 1–November 17, 1914), prices dropped with the diminished market to nearly half this level. It was 2 full years after the war began before domestic prices recovered to the levels existing immediately before the war.—*The Farm Program and Cotton Marketing Quotas in 1940, 40–Cotton–1.*

Fats and Oils. The combined prices of eight principal domestic fats and oils remained comparatively stable during 1914 and 1915. A moderate advance in prices took place in 1916. No sharp advance in prices of domestic fats and oils occurred, however, until 1917, when prices of practically all commodities advanced. Production of animal fats remained fairly stable. Production of vegetable oils from domestic materials, however, declined considerably from 1914 to 1920. Imports of coconut oil and copra, soybean oil (in those years not domestically produced), and peanut oil were increased sharply from 1914 to 1918. Exports of animal fats decreased somewhat during the war years.—*The Fats and Oils Situation, Sept. 15, 1939.*

CONSERVATION

Erosion's Toll

Over-cropping means depleted soil. Depleted soil means impoverished people. On 41 percent of the total land area of this country, erosion has been serious enough to destroy from one-fourth to three-fourths of the top soil. On 12 percent of our land more than three-fourths of the top soil has been lost through erosion.—*Claude R. Wickard, Director, North Central Division, A. A. A., Fort Dodge, Ia., July 14, 1939.*

More Cover

On the whole it appears that there has been an increase of about 25 percent in the use of cover crops in the East Central Region since the inauguration of the Agricultural Conservation Program.—*W. G. Finn, Director, East Central Division, A. A. A., in Statement to State Executive Officers, Aug. 12, 1939.*

Profit in Pastures

Good pastures are good business for the farmer. In seven different districts of the country where the United States Department of Agriculture studied feed requirements for market-milk production, pasture furnished nearly one-third of all feed, but was only one-seventh of the feed cost. On 478 Corn Belt farms, pasture furnished more than one-half the feed for beef cattle, but was only one-third of the total feed bill.

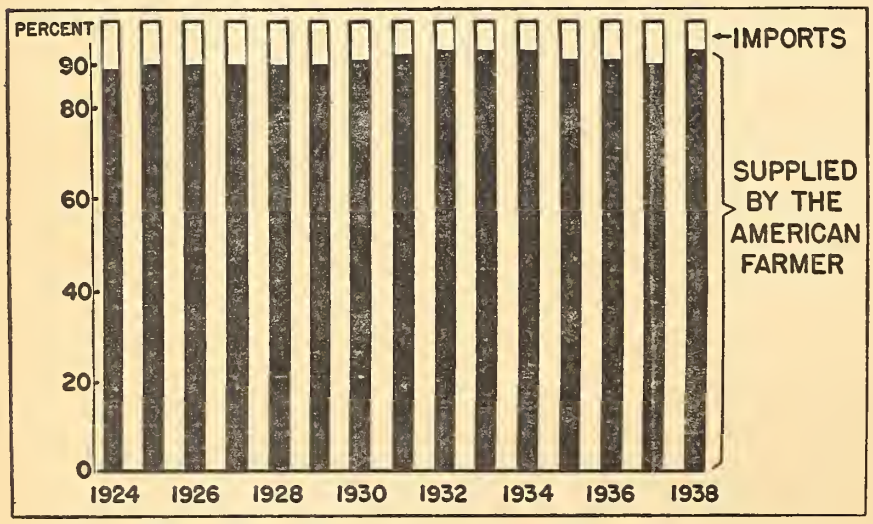
Because good pastures are a good investment, the A. A. A. is helping many farmers in the Northeastern, East Central and a number of Southern States to improve pastures with lime and super-phosphate. In these regions, farmers may pay for lime and super-phosphate with the conservation payments they earn for carrying out soil-building and soil-conserving practices. The farmers obtain the soil-building materials with the understanding that they use them to improve their pastures.

Farmers with depleted permanent pastures have found lime and super-phosphate of particular value, for they aid desirable grasses and legumes in driving out and replacing weeds and poorer grasses.—*U. S. D. A. Clip Sheet No. 1102.*

End to Waste

America has become soil conscious in the last few years and has set about to stop the riotous waste and depletion which characterized our agriculture in years past. Through the A. A. A. nearly 6 million farmers are this year taking part in the National Farm Program and for every farm a part of this participation means definite work to improve the soil. Maybe it is a Montana farmer laying out his farm in strips to prevent soil blowing; in the Corn Belt it may be the plowing-under of green-manure crops; in the South it may be the establishment of feed crops to provide for home use that is so sorely needed in that area. The practices vary from State to State and from region to region but the essential thing to remember is that farmers in all parts of the country are actively taking steps to improve and preserve their soil. This is a

THE AMERICAN FARMER HAS HIS HOME MARKET



Nine-tenths and More: The farmer's share of the domestic market for agricultural products has ranged from 89 percent in 1924 to 93 percent in 1938 (preliminary). For the chart above the domestic market was estimated by deducting from gross farm income (excluding government payments) 85 percent of the value of domestic farm exports and adding 125 percent of the value of competitive farm imports. Export and import figures by Foreign Agricultural Service, from reports of the Bureau of Foreign and Domestic Commerce, revised in accordance with B. A. E. gross farm income figures released June 5, 1939.

gain that must be preserved at all costs.—*R. M. Evans, A. A. A. Administrator, in address at Minneapolis, Minn., Oct. 3, 1939.*

Thanksgiving, 1835

"We thank Thee for the bountiful supply of wildlife with which Thou has blessed our land; for the turkeys that gobble in our forests; the flocks of geese and ducks that honk on our streams and lakes; the clouds of carrier pigeons that darken the skies; and the vast herds of deer, antelopes, and buffaloes that roam the boundless plains beyond the Blue Ridge Mountains.

"We thank Thee for the inexhaustible wealth of virgin timber, stretching from the western edge of tidewater Virginia to the far-off mountains of Oregon, giving fuel and lumber for the countless homes of generations yet unborn.

"We thank Thee for the burning rock recently discovered in the wilds of Pennsylvania, which, added to the water power of New England, will materially reduce the burden of manual labor and in the course of time may eliminate it entirely * * *.

"We thank Thee for the absence of unemployment which in the king-ridden countries of the old world is causing widespread suffering among the toiling masses * * *. And if the time should ever come, as fate may forbid, when our young and growing industries can no longer employ all the labor tendered, our public domain of thousands of millions of acres of virgin soil will offer them welcome sustenance and fortune so that no willing worker shall ever be begging for work or bread in this land of ours.

"We thank Thee for the ever-mounting well-being of our farmers * * *."

Thus proclaimed President Andrew Jackson on November 29, 1835—just 104 years ago. Since Jackson's time we have wasted our inexhaustible resources more than any other nation, civilized or barbaric, in history. We have succeeded in doing away with 100 million acres of agricultural land as well as 280 million acres of grazing land. One-third of our agricultural population is living on land on which they can't make a decent living. They are bankrupt farmers living on bankrupt land.—*H. H. Bennett, Chief, Soil Conservation Service, June 24, 1939, at Forest Glen, Md.*

COMMODITIES

Cost of Tobacco

An acre of flue-cured tobacco takes about 400 hours of labor by a man and around 100 hours of work by horses. An acre takes a thousand pounds of fertilizer to make good quality tobacco. At 15 cents a pound, the tobacco from that acre will bring about $130. There are so many other items of cost that when tobacco sells for 15 cents per pound the farmer gets less than 15 cents an hour for his work.—*J. B. Hutson on The Farm and Home Hour, Sept. 28, 1939.*

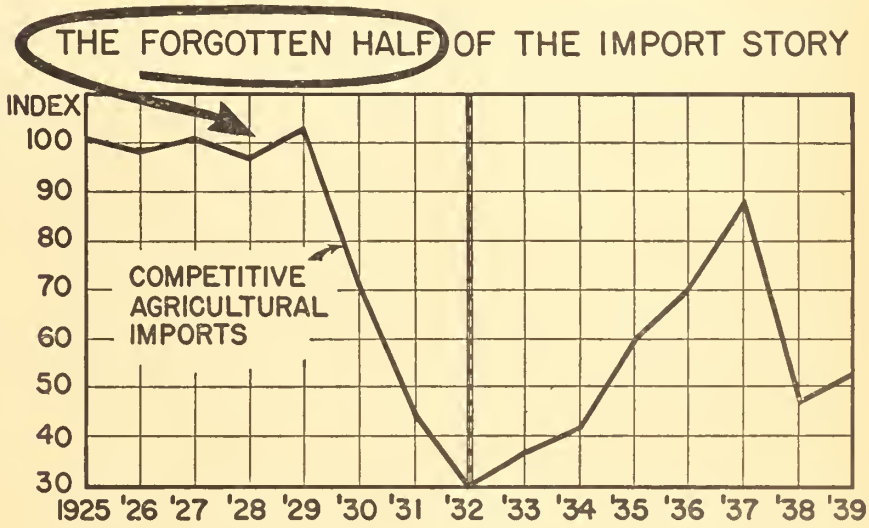
Under Loans

I venture to say that never has so much of the wheat crop been in the hands of the farmer at this time of the year as this season. It gives the farmer the benefit of any price rise that may come, and it is the Ever-Normal Granary plan that makes it possible. * * *

During that 6-year period (1933–38) farmers have placed under loan something more than 600 million bushels of corn.—*R. M. Evans, A.A.A. Administrator, in address at Chicago, Ill., Oct. 2, 1939.*

Cotton Exports

Through September 30, 1939, sales and deliveries of cotton and cotton products under the cotton export program totaled 2,420,000 bales. The total does not include the exchange of approximately 690,000 bales by the Commodity Credit Corporation to Great Britain in exchange for rubber.



Forgotten: The amount of competitive agricultural imports[1] of the late 20's is often left out of the picture in efforts to describe food and feed imports as a threat to the American farmer's domination of his home market. The fact is that imports under the farm program have averaged far less in value than they did during the late 20's, as shown here:

TOTAL COMPETITIVE AGRICULTURAL IMPORTS

	1924–29 average	*1932*	*1937*	*1938*[2]
Value in thousands of dollars	988,000	296,000	868,000	477,000

[1] Competitive agricultural imports for 1924–29 equal 100 on the chart. Imports for 1939 are projected on the basis of the first 6 months.

[2] Preliminary.

The export program provides payments of 1½ cents per pound on exports of raw cotton and equivalent payments on exports of cotton products.—*U. S. D. A. Press Release, Oct. 4, 1939.*

A good part of the decline in our cotton trade, the drop in German sales, for example, had little relation to our cotton program. Fifty-seven percent of the decline in cotton exports between the 1931 and 1938 seasons is due to losses in three countries, Germany, Japan, and Italy. If these countries had purchased as much cotton from us in the past season as they did in the 1931–32 season, our total exports this year would have been about 6,500,000 bales.—*I. W. Duggan, Director, Southern Division, A. A. A., at Memphis, Tenn., Aug. 24, 1939.*

Exports

Our exports of crude foodstuffs rose from 137 million dollars during the year beginning with June 1914 to 421 million dollars in the calendar year 1916, but there was a decline in cotton exports. From 1913 to 1916 the increase in the portion of farm income furnished by exported products was only from 15 to 17 percent. By far, greater benefits accrued to farmers through the stimulation of domestic sales induced in part by a 200 percent increase in exports of processed industrial and food products leading to widespread gains in employment and pay rolls among industrial workers.—*The Demand and Price Situation, Sept. 15, 1939.*

Wheat at 85

The American wheat farmer is getting more than 85 cents a bushel for his wheat through his cooperation with the AAA program this year. * * * Exporting countries are fighting to sell to importing countries which are taking only about 550 million bushels compared to about 950 million bushels 10 years ago. * * * Without the acreage adjustment, loan, and export-subsidy programs, American farmers could hardly have received more than 25 cents a bushel for their wheat.—*From "Current Comment on AAA Programs," Sept. 1939.*

Current Comment

Stamp Plan

Based upon our experience to date, it appears that about one-quarter of the stamps are being used for butter and another one-quarter for eggs, two products which are produced very widely on our farms. About 10 percent of the added purchasing power is being used for wheat products. Approximately 31 percent is being divided among the fresh fruits and vegetables, according to the consumer's selection and the commodities which have been on the list thus far. Corn meal, rice, dry beans, and dried prunes are each receiving over 2 percent of the blue stamp expenditure as a result of the new buying by needy families.—*Milo Perkins, President, Federal Surplus Commodities Corporation, in address at Chicago, Oct. 10, 1939.*

Inventory

Livestock. At the beginning of this year there were 10,800,000 horses on farms, and 4,382,000 mules. The number of horses was the smallest in nearly 60 years, the number of mules the smallest in 30. The January 1 inventory showed a decrease in the number of horse colts foaled in 1938, but an increase in the number of mule colts. The number of colts being raised indicates that the numbers of horses and mules will continue to decline for several years at least.—*Agricultural Situation, B. A. E., Aug. 1939.*

Combines. The increase in the use of the combined harvester-thresher during the last 20 years has been exceedingly rapid and widespread. Its limited use in harvesting less than 5 percent of the wheat crop in 1920 has increased until in 1938 it was used in harvesting about 50 percent of the wheat acreage harvested for grain. During the same period the number of combines on farms in the United States increased from about 4,000 to around 100,000.—*Agricultural Situation, B. A. E., Aug. 1939.*

People. The farm population on January 1, 1939, was close to the largest on record. The total was 32,059,000 persons. As in the 5 preceeding years, more persons moved from farms to villages, towns, and cities than moved to farms. But this was more than offset by the surplus of births over deaths in the farm population. The number of births in 1938 was 747,000, and the number of deaths, 305,000.—*Farm Population Estimates. B. A. E. Reports.*

Electrification. Since the inception of the Rural Electrification Administration, the number of electrified farms in the United States has more than doubled. The growing demand for rural electrification which its program has aroused has spurred the private utilities to increased rural activity, and has led the more progressive of them to lower their rates and modify their extension policies. R. E. A. itself had allotted $238,460,830 as of August 1, 1939. When all the construction that this sum represents has been completed, approximately 240,000 miles of R. E. A. financed lines will be in service. They will make electricity available to well over half a million rural families. Over 100,000 miles of lines have actually been put in service by R. E. A. projects, providing electric service to more than a quarter million farm and village homes. A great many more miles of line are under construction.—*Agricultural Situation, B. A. E., Aug. 1939.*

Income

Extra Business

In Curry County, N. Mex., the business men had figured out that the loan wheat held by farmers in that county had gone up in value $400,000. That meant $400,000 extra to be spent with business men of Curry County, due to the wheat loan.—*N. E. Dodd, Director, Western Division, A. A. A., on National Farm and Home Hour, Sept. 22, 1939.*

Comparisons

In 1937 the farmers could buy for their families with the year's incomes available for living 5 percent more goods than they could in the good period of the 20's; and in 1938 about the same as the good years of the 20's. This year they appear likely to be at least as well off as in 1938. In this respect with the single exception of 1925, the year 1937 was probably the best year for American farmers since the World War.—*A. W. Manchester, Director, Northeast Division, A. A. A., in radio address, WGY, Aug. 18, 1939.*

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